

# HOUSE BILL REPORT

## HB 2289

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**As Reported by House Committee On:**  
Technology, Energy & Communications

**Title:** An act relating to utilizing information technology.

**Brief Description:** Regarding state agency use of information technology.

**Sponsors:** Representatives Ericks, Morris, O'Brien and Ormsby.

**Brief History:**

**Committee Activity:**

Technology, Energy & Communications: 2/21/07 [DPS].

**Brief Summary of Substitute Bill**

- Transfers the responsibility to purchase, lease, rent, or acquire information technology (IT) equipment, proprietary software and purchased services from the Information Services Board to the Department of Information Services (DIS).
- Requires the Director of the DIS to develop a migration strategy for transferring IT positions to DIS.
- Directs state agencies and institutions of higher education to use IT enterprise services provided by the DIS.
- Requires all new servers to be located with the DIS.
- Requires DIS to evaluate agency budget requests for any IT proposal identified as a major IT project.

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### HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Morris, Chair; McCoy, Vice Chair; Crouse, Ranking Minority Member; McCune, Assistant Ranking Minority Member; Eddy, Hankins, Hudgins, Hurst, Takko and VanDeWege.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Scott Richards (786-7156).

**Background:**

**Department of Information Services (DIS)**

The DIS provides for coordinated planning and management of state information services. The DIS primarily receives direction from the Governor, Legislature, and the Information Services Board (ISB). The ISB is responsible for the development of information technology (IT) policies for the state. The DIS receives input from its Customer Advisory Board (CAB), which meets monthly and generally consists of agency Chief Information Officers and other agency IT staff.

The DIS is directed by the ISB to:

- review agency IT portfolios;
- implement statewide and interagency policies and standards;
- make available information services to state agencies, local governments and public benefit non-profits on a cost-recovery basis;
- establish rates and fees for services provided by the DIS to ensure that the services component of the DIS is self-supporting;
- develop a state strategic IT plan and performance reports in consultation with the ISB and other agencies;
- develop plans for the DIS to achieve goals and objectives in the state strategic IT plan, including seeking the advice of the ISB and the CAB;
- develop training plans for agencies under the direction of the ISB and in collaboration with the Department of Personnel;
- assess agencies' projects, acquisitions, plans, IT portfolios, or overall information processing performance as requested by the ISB, the Office of Financial Management (OFM), or the Legislature;
- develop planning, budgeting, and expenditure reporting requirements for agencies to follow;
- assist the OFM with budgetary and policy reviews of agency plans for information services;
- provide staff support to the ISB; and
- act as the lead agency in coordinating video telecommunications services for all state agencies and developing standards for equipment.

**Information Services Board (ISB)**

The ISB provides oversight and management for large information technology projects administered by executive branch agency staff. The ISB is administered by a 15 member board of directors.

The duties of the ISB are to:

- develop standards governing acquisition and disposition of equipment, software, and purchased services by or on behalf of state agencies;
- purchase, lease, rent, maintain or dispose of equipment, software, or services;
- develop statewide policies, standards and procedures regarding IT;

- review and approve standards and specifications for new or expanded telecommunications networks proposed by agencies or educational service districts or entities; and
- provide direction for the state concerning strategic planning for IT.

### **Streamlining Technology and Energy Projects**

During the 2006 interim, the Technology, Energy and Communications (TEC) Committee conducted research and surveyed state-based technology and energy entities to answer some fundamental questions about how these entities perform their statutory mission, set policies and priorities, fund operations and measure performance. The TEC Committee undertook this project with the goal to provide more focus and efficient use of state resources by centralizing missions and reducing administrative overhead of relevant entities. The TEC Committee research found that state agencies use an increasing variety of information services and technologies, leading to inefficient use of state resources and fragmented authority over important IT decisions.

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### **Summary of Substitute Bill:**

#### **Legislative Intent**

It is the intent of the Legislature for the Director of the Department of Information Services (Director) to have primary responsibility for the management and use of Information Technology (IT) enterprise services. The Director is required to consult regularly with each agency head regarding information technology enterprise services.

#### **Powers and Duties of the Information Services Board**

The powers and duties of the Information Services Board (ISB) is amended to eliminate its responsibility to purchase, lease, rent, or otherwise acquire, dispose of, and maintain IT equipment, proprietary software, and purchased services. In addition, the ISB may no longer delegate to other state agencies and institutions of state government the authority to purchase, lease, rent, or otherwise acquire, dispose of, or maintain equipment, proprietary software, and purchased services.

#### **Duties of the Director**

The duties of the Director are expanded to:

- advising the Governor and the Legislature with respect to matters affecting IT management and planning;
- establishing levels of delegated authority for state agencies and institutions of higher education related to the acquisition of hardware, software, or purchased or personal services relating to IT; and
- developing a migration strategy related to the transition of IT resources from state agencies to the Department of Information Services (DIS), with a completion date of June 30, 2010.

#### **Migration Strategy**

The migration strategy will:

- transfer all IT resources from agencies with 50 or less full time equivalents to the DIS to include the establishment of services for those agencies no later than June 30, 2008;
- transfer newly established IT positions to the DIS beginning July 1, 2007, at the discretion of the Director;
- transfer the administrative IT support functions of the Office of Financial Management and Department of Personnel to the DIS by June 30, 2009; and
- direct agencies to use IT enterprise services provided by the DIS.

### **Powers and Duties of DIS**

State agencies and institutions of higher education are required to use, rather than choose to use, the DIS IT enterprise services when acquiring IT services, products, and assets including acquisitions within an agency's delegated authority.

Also, the powers and duties of the DIS are expanded to include providing technical assistance to the Governor and the Legislature in identifying IT needs and in planning to meet those needs through agency portfolios and investments for IT.

The DIS shall provide IT enterprise services to state agencies, institutions of higher education, local governments, and public benefit nonprofit corporations on a full cost-recovery basis.

"Information technology enterprise services" means the acquisition, provisioning, or approval of hardware, software, and purchased or personal services provided by the DIS. These services may include, but are not limited to:

- telecommunications services for voice, data, and video;
- mainframe computing services;
- support for departmental and microcomputer evaluation, installation, and use;
- equipment acquisition assistance, including leasing, brokering, and establishing master contracts;
- facilities management services for IT equipment, equipment repair, and maintenance service;
- negotiation with local cable companies and local governments to provide for connection to local cable services to allow for access to these public and educational channels in the state;
- office automation services;
- system development services; and
- training.

### **Specific Service Requirements**

If an agency has a specific service requirement to acquire hardware, software or purchased or personal services directly, the agency shall submit a request to proceed with the acquisition to the DIS for review and approval. The request shall be evaluated by the DIS in consultation with the OFM.

### **New Servers**

State agencies and institutions of higher education shall locate all new servers with the DIS. Agencies with a service requirement that require servers to be located outside the DIS must

first obtain written approval from the Director. Justifications must be based upon written justification from the requesting agency citing specific service requirements for locating servers outside the states common platform.

**Evaluation of IT Project Budget Requests**

The DIS is required to evaluate agency budget requests for any IT proposal identified as a major IT project, including proposals by institutions of higher education and the Superintendent of Public Instruction, in conjunction with educational service districts, or statewide or regional providers of K-12 education IT services.

The DIS is required to establish criteria, consistent with portfolio-based IT management, for the evaluation of agency budget requests. These budget requests shall be made in the context of an agency's IT portfolio; technology initiatives underlying budget requests are subject to the ISB review.

Criteria shall include, but not be limited to: the feasibility of the proposed projects, consistency with the state strategic IT plan, utilization of enterprise or common services, consistency with the agency IT portfolios, appropriate provision for public electronic access to information and services, costs, and benefits.

**Substitute Bill Compared to Original Bill:**

The substitute bill eliminates the establishment of a joint legislative task force on streamlining state information services provided in the original bill.

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**Appropriation:** None.

**Fiscal Note:** Requested on substitute bill February 22, 2007.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

(In support) By virtue of state statute, the Department of Information Services (DIS) has an advisory role to state agencies on the issues of information technology (IT). There are areas where the DIS should have the authority to direct some efficiencies. Under current law they do not have that authority. This bill rectifies this situation.

There was a dream early on that technology would provide us increased efficiency. This bill, when successful, will bring efficiencies to state government and bring better service to our citizens. It won't be without challenges to make the changes, but it can be accomplished.

This bill will provide, through a transition plan and a strategic plan, a rational, reasoned transition of IT services. This is a business model change and it will take some time, but will be worth it in the end.

(Information only) The DIS shares the goals of the Technology, Energy and Communications Committee to ensure the state has a strategy to move forward with the appropriate use of technology over the long term. The DIS shares the goals that have been outlined with regard to efficiency and use of technology to perform more public services. It is important to achieve this goal without interrupting state functions.

(Opposed) None.

**Persons Testifying:** (In support) Representative Ericks, prime sponsor.

(Information only) Gary Robinson, Department of Information Services.

**Persons Signed In To Testify But Not Testifying:** None.